

August 8, 2011

VIA ELECTRONIC FILING

Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive, S.W.
P.O. Box 47250
Olympia, Washington 98504-7250

Attention: David W. Danner
Executive Director and Secretary

**RE: Docket No. UE-110667 – Additional Comments
Study of the Potential for Distributed Energy in Washington State**

PacifiCorp d.b.a. Pacific Power & Light Company (PacifiCorp or Company) submits the following additional comments in accordance with the Washington Utilities and Transportation Commission's (Commission) Notice of Opportunity to File Additional Comments (Notice) issued in Docket UE-110667 on July 29, 2011.

1. Additional Questions of the Commission

The Commission requests that interested persons submit comments addressing:

- **How the Commission should define distributed generation for the purpose of the study, and whether the Legislature should define distributed generation differently than in RCW 19.285.030(9)¹.**

Response: For the purposes of the Commission's study of distributed generation, PacifiCorp suggests the following definition for consideration:

Distributed Generation means: (1) generation connected to the electrical system of a retail electric customer and primarily used as self-generation to offset the customer's use of utility system power (i.e. as a demand side resource or energy efficiency measure), or (2) generation, connected and delivering power, directly to an electric utility's electric distribution system. Distributed Generation is not greater than 5 megawatts (MW) per metering point and is not interconnected to the transmission system. Each utility shall identify what constitutes the transmission system.

¹ Distributed Generation means "an eligible renewable resource where the generation facility or any integrated cluster of such facilities has a generating capacity of not more than five megawatts."

- **The purpose or goal of distributed generation in Washington, particularly in areas of the state served by investor-owned utilities, and how the goal or goals should assist the Commission and the Legislature identify appropriate administrative or legislative proposals to encourage distributed generation.**

Response: The purpose or goal of distributed generation is primarily determined by how the generation is consumed. To the extent the generation is consumed by the generator/customer (whether directly such as industrial process co-generation or indirectly such as net metering), the purpose is to reduce that customer's/facility's use of a utility's system supply. When used in this fashion, distributed generation is essentially another form of energy efficiency program, reducing the utility's energy sales but not necessarily at peak times. To the extent the distributed generation is delivered to the distribution grid, the purpose is to supplement the utility's system supply. When used in this fashion, distributed generation has a different value to customers than a more traditional purchased power arrangement. The factors that impact value include: the randomness of production/delivery, the non-dispatchability of generation, off-peak production versus on-peak production, and appropriate compensation for the utility and its customers for the distributed generator's use of the distribution system (and, potentially, transmission system). To the extent that distributed generation is connected to PacifiCorp's electric system, it may be subject to the Federal Power Act (FPA) and the jurisdiction of the Federal Energy Regulatory Commission (FERC). Any exemption from FERC jurisdiction must be under the Public Utility Regulatory Policies Act (PURPA). Therefore, any proposals to encourage distributed generation that the Commission and the Legislature consider, must take into consideration FERC, FPA and PURPA requirements.

2. Additional Comments of PacifiCorp

The Commission's notice provides an opportunity for the Company to provide further comments. For the Commission's consideration, the following provides an overview of PacifiCorp's interconnection process options:

The appropriate process for an interconnection request is largely determined by the size of the proposed project. There are two main processes that allow for the review of an interconnection request depending upon the project size, which are 1) 2 MW or less (Fast Track Study Process), or 2) larger than 2 MW (Standard Full Study Interconnection Process).

The FERC, as well as some state public utility commissions, have implemented rules allowing very small generators (typically 2 MW or less) to go through a simplified review/study process to review their interconnection request and provide details of what needs to be added to their facilities to interconnect with the utility's system. Where a project falls under FERC jurisdiction, PacifiCorp is required to follow the interconnection processes mandated by its Open Access Transmission Tariff.

Fast Track Study Process is identified as follows:

- Customer sends in application complete with technical detail and required deposits. The application initiates the interconnection process.
- A scoping meeting is held with all interested parties and the utility engineering staff. The project is discussed and the appropriate study course and options are reviewed.
- A simplified screening study (pass/fail questions) is completed for the project. A project will pass through this process when there are no impacts to the existing system and there is minimal equipment that needs to be added to interconnection the project (such as just needing metering equipment).
- Should the project pass the screening phase, an Interconnection Agreement will be entered into authorizing the detailed design, procurement of materials and construction of any required facilities. If the project does not pass the screening phase, the project will need to go through the Standard Full Study Interconnection Process.
- The Fast Track Study Process may take between four to six months to complete, with the design and construction phase taking an additional six to 12 months, depending upon the project specific details.

For larger projects, the process is more in-depth, as these larger projects can have more impact on the distribution or transmission system. Additional studies may also be required such as a Transient Stability Study or an Optional Interconnection Study. These studies are important and through them, the electrical effects to the distribution or transmission system are identified.

Standard Full Study Interconnection Process is identified as follows:

- Customer sends in application complete with technical detail and required deposits. The application initiates the interconnection process.
- A scoping meeting is held with all interested parties and the utility engineering staff. The project is discussed and the appropriate study course and options are reviewed.
- There are up to three studies that can be completed for a project; a Feasibility Study, a System Impact Study and a Facilities Study. The customer may have the option of skipping the Feasibility Study. It is not possible to complete the studies concurrently. Once a study has been completed, a review meeting is held with the customer and agreement is obtained to enter into the next study.
- After completion of the study phase, an Interconnection Agreement will be entered into authorizing the detailed design, procurement of materials and construction of any required facilities.
- The Standard Full Study Interconnection Process may take between nine to 12 months to complete, with the design and construction phase taking an additional 12 to 18 months, depending upon the project specific details.

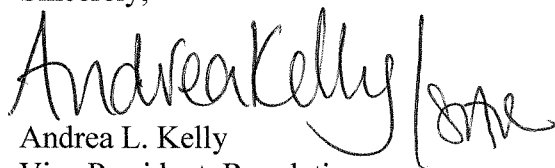
Washington Utilities and Transportation Commission

August 8, 2011

Page 4

PacifiCorp appreciates the opportunity to provide these additional comments. If you have any questions regarding these comments, please contact me on (503) 813-6043.

Sincerely,

A handwritten signature in black ink that reads "Andrea Kelly" followed by a stylized flourish that appears to be "AK".

Andrea L. Kelly
Vice President, Regulation

Enclosures

cc: Elizabeth Osborne, Washington Utilities and Transportation Commission